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ABSTRACT

Apprenticeship came to Australia from England with the establishment of the colony of New South Wales in 1788. By the end of the 19th century, apprenticeship was well recognized throughout all the states, which retained responsibility for its regulation and administration after federation. A common provision in states' apprenticeship legislation was for the establishment of committees with representatives from trade unions and employer associations that played significant roles in moving apprenticeship training from being "on the job" training to where it included a technical education component. From 1950-72, inquiry after inquiry confirmed the benefits of apprenticeship but criticized its inflexibility; changes did occur, including introduction of day attendance in technical and further education and pre-apprenticeships; most options for effective systemic change were known but the lack of action demonstrated the difficulty of making fundamental reforms, especially without grassroots support from employers and unions. Between 1972-84, a great deal of official attention was directed at working through many of the shortcomings with apprenticeship that had proven to be difficult to address in earlier years. For years after 1985, the commonwealth and states put much energy into developing traineeships; trade apprenticeship was virtually left alone. Training reform from 1990-98 resulted in combination of apprenticeships and traineeships under the umbrella title of "New Apprenticeships." (Contains 44 references.) (YLB)

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NCVER Australian Apprenticeships

Apprenticeship in Australia

An historical snapshot

J Ray

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AUSTRALIAN apprenticeships

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Contents

Introduction 1
Characteristics of apprenticeship 1
Origins of apprenticeship 3
Establishing apprenticeship in Australia 7
Apprenticeship after the Second World War 10
Growth in apprenticeships 10
Proposals for change 1950–1972 12
Commonwealth intervention 1972–1984 18
The traineeship period 1984–1990 23
Training reform 1990–1998 27
The Australian Vocational Certificate Training System (AVCTS) 28
The NETTFORCE traineeships 28
New Apprenticeships 30
Generic apprenticeship 32
Conclusions 33
Apprenticeship and trade training 33
Trade apprenticeships and the labour market 34
Overall assessment of the trade apprenticeship system 35
Traineeships 35
The 1990s—a decade of change 35
Moving into the future 38
References 39

Introduction

This short paper on the history of apprenticeship in Australia outlines the origins and the main issues that have influenced its development. The paper has a policy focus and attempts to identify the key issues that have been important or could still be important.

Throughout history, men and women have obtained knowledge and learnt skills in a variety of ways—through accident, observation, trial and error, formal and informal learning, and combinations of these. Apprenticeship has a long history as a way of learning while working, particularly for the craft or trades occupations. However, even for work in those occupations, it has never been the sole means of obtaining skills.

The term 'apprentice' is defined succinctly in the current Concise Oxford Dictionary as 'learner of a craft, bound to serve, and entitled to instruction from his employer for specific term, beginner, novice'. This definition illustrates that the term has both a specific meaning and a more generic one. The more specific meaning implies a contractual relationship between employer and employee; the more generic meaning implies a relationship but not necessarily a contract. Throughout this paper, apprenticeship is assumed to have the former meaning, which involves a formal contract of employment and training, and State regulation of such contracts.[1]

The paper does not analyse the use of apprenticeship and its variations that have been, or are still, used for training professional groups. Until at least the 1950s, apprenticeship was used as a way of training for various professional occupations such as pharmacy, surveying and nursing. Lawyers may have also been trained through a form of apprenticeship known as 'articles', while medical graduates continue to have to complete an 'internship' before being licensed. Such professional training has been administered by professional associations or special tribunals and was separate to the State-regulated system for trade apprenticeships.

Characteristics of apprenticeship

A fundamental feature of apprenticeship as a system of employment and training is that it is designed to directly benefit both the industrial parties—apprentices and employers.

- Apprentices benefit from having guaranteed paid employment for some years (nominally four years for trade apprenticeships in Australia) and an opportunity to learn skills from qualified tradespersons.
- Employers benefit from having an employee who becomes more and more productive as time passes. The relatively high costs of employing first-year apprentices can be acceptable to employers on the basis that, by the third and fourth years, apprentices attain a work value about the same as a tradesperson but receive apprentice wages that are less than the qualified rate.

Striking the right balance between the benefits to employers and the benefits to apprentices has never been easy. Typically, differences arise because of the desire of employers to profit

[1] Since 1933, NSW has provided for both indentured apprentices and trainee apprentices. Trainee apprentices do not enter into term indentures. Rather, they are free to move from one registered 'trainee employer' to another. In exchange for their less secure employment, trainee apprentices receive higher wages than indentured apprentices. In March 1999, there were 2204 trainee apprentices in NSW out of a total of 14 014 apprentices. This proportion (16%) was about the same in 1984–85. The majority of trainee apprentices are in the building industry.

from employing apprentices and the desire of apprentices (endorsed by their parents) not to be exploited as cheap labour. Such differences have provided the basis for a large amount of industrial law relating to apprenticeship and for a high degree of State regulation. Legislation has enabled State supervision over the contracts of employment and training, including processes for resolving disputes between employers and apprentices.

Apprenticeship has also benefited the community through its role in providing a supply of skilled people to provide quality goods and services. This community role of apprenticeship has provided another reason for governments to be involved in the apprenticeship system and to assist it financially. However, neither employers nor apprentices have always welcomed government interference. For example, as both these parties benefited from the status quo, their representatives did not capitulate to government pressure in the early 1980s to reduce the terms of apprenticeship.

As may be noted in the paper, apprenticeship has a long history extending back to early Egyptian and Babylonian times. It became common in Medieval Europe, and from England it spread to the United States and the British colonies. By the mid-1800s in England, apprenticeship was a common form of entry to skilled occupations, including many of the professions.

As the economies of the advanced countries moved through the industrial age and into the 20th century, vocational education institutions were established and/or companies decided to train their own staff. Accordingly, apprenticeship became less and less important as a means of training to the point where, in most of the world, apprenticeship is no longer a major form of training. Its most concentrated application is in the Germanic-speaking countries where it is an integral part of the education system and covers a very wide range of occupations.

Next to the Germanic-speaking countries, apprenticeship is most common in Australia. The Australian brand of apprenticeship has evolved from the English model. Although never on the scale of German practice, apprenticeship was an important form of training in England until recent years, particularly in the metal, electrical, building and vehicle trades.

The historical purpose of apprenticeship—to train artisans—has remained its main purpose in Australia. Apprenticeship has been the main way of training for both the traditional crafts (such as carpenter, plumber, hairdresser and metal worker) and more contemporary trade occupations (such as vehicle mechanic and electrician).

Over time, the Australian apprenticeship system has rarely produced a surplus of tradespersons. Indeed, the obverse has been the more common situation. This is in marked contrast to the German system where very large numbers are trained only to find that they cannot get a job in their occupational field.

One characteristic of Australian apprenticeship that appears to have changed in recent years is that the 'training' role of apprenticeship has become more dominant than the 'employment' role. This is reflected by the fact that, generally, State and Territory Ministers for Education now administer apprenticeship, whereas it used to be administered by Ministers for Industrial Relations or industrial tribunals.

Origins of apprenticeship

According to the Microsoft Encarta 97 Encyclopaedia, apprenticeship can be traced back to about the 12th century in Mediaeval Europe when artisans found it beneficial to ban together into 'craft guilds' in the manner of merchants.

> *In some cities the individual worker was permitted the right to join or remain out of the guild in his craft. In others, a guild would purchase from the municipality or the royal government the right to control its branch of industry, and in such instances everyone who desired to follow his trade in that particular city was compelled to join the guild. The members of a craft guild were divided into three classes: masters, apprentices, and journeymen. The master, who was a small-scale proprietor, owned the raw material and the tools and sold the goods manufactured in his shop for his own profit. The apprentices and journeymen lived in the master's house. The apprentices, who were beginners in the trade and learned it under the direction of the master, usually received only their board in return for the work they did. After an apprentice had completed his training he became a journeyman and was paid a fixed wage for his labor. In time a journeyman might become a master. Because it was to the advantage of those who were already masters not to increase their own number, the conditions under which a journeyman might become a master were always made difficult.*
>
> *The craft guild was important in the life of the medieval city, closely affecting the economic welfare of both artisans and consumers. It sought to aid artisans in two principal ways: by protecting against the competition of artisans in the same trade in other cities, and by protecting from possible competition of fellow citizens working in other shops belonging to the same trade.*
>
> *Consumers benefited from the existence of the craft guild chiefly because of the high standards of the guild set up for finished work, although they were deprived of the possibility of lower prices from improved methods of production and from competition in selling.*
>
> *In the 14th, 15th and 16th centuries, journeymen organised into associations of their own, the object of which was to obtain better wages and working conditions from the master. The journeymen guilds were considered to be the forerunners of the modern trade union.* (Microsoft 1997)

The Australian experience of apprenticeship stems from its use in England where apprenticeship was also established in the middle ages. A Queensland paper on the history of apprenticeship (DEVET 1988, p.9) notes that the earliest recorded indenture in British history (written in Latin) is preserved at Norwich in England.

The 1563 Elizabethan Statute of Artificers signalled the British Government's first attempt to define the conditions of apprenticeship and to provide sufficient labour for craft and agricultural production. Authority to administer the statute and assess wages was entrusted to justices of the peace. Under the terms and conditions of the legislation, a person was not permitted to exercise a craft unless he had been apprenticed. The Act also introduced a ratio system for the numbers of journeymen to apprentices a tradesperson could employ; if a master had three apprentices, he was required to employ at least one journeyman (DEVET 1988). Similar provisions have been common in State and Territory legislation in Australia.

In 1814, the Committee of Manufactures of London and its Vicinity (CML 1814) argued strongly for the repeal of 'apprentice laws' that favoured apprentices over other workers. The laws were 'Penalties of the Statute of Elizabeth containing divers orders for Artificers, Labourers, Servants of Husbandry, and Apprentices'. In the view of the chamber, the following law was seen to be outdated and a major problem because it was apparently being enforced (whereas other outdated provisions were not).

(Sec 31), it is also prohibited to carry on or exercise, or set any other person to work at any craft or mystery carried on in England or Wales at the time of the passing the Act (1562) without having served an apprenticeship of 7 years, thereto, under a penalty of 40s a month.

The chamber's petition to have the law changed also indicated how the economy and the labour market in 1814 was greatly different to that in Elizabethan times. It went as follows:

It would border on superstition to contend that a law which was contrived for feudal times, when seven tenths of the people were in a state of vassalege.

Is there any dearth of apprentices in those trades which are not under the control of this statute? The coachmen? the paper stainers? the tin-plate workers? the watchmakers? the mathematical and optical instrument makers? and a hundred others totally unknown to our ancestors. Are they not eagerly sought by parents?

When the statute was passed, our manufactures were confined almost entirely to the supply of the home market.

Is it not frequently found that the most ingenous (sic) workmen have never been apprenticed at all?

(This shows that apprenticeship was not the only source of skills.)

While, however, this act remains on the statute book, the workmen will continue to labour under the delusion of an 'appearance' of extreme right. It is a constant source of contest between men and their employers. It excites perpetual jealousy. The workman no longer believes his interest to be compatible with that of his master. He sets his face against every improvement that would cheapen our manufactures. He fears that facility of manufacture will decrease the 'quantum' of employment.

(This concerns the traditional balance of benefits that must be reached between employers and apprentices.)

As part of a comparative study of apprenticeship, Gospel (1994) notes that:

Traditionally, the apprenticeship was of the domiciliary kind, where the youth (invariably male) lived-in with the employer who agreed to teach him the trade in return for productive labour. By the mid-nineteenth century, this form of apprenticeship had largely disappeared and been replaced by the live-out apprenticeship. (p.507)

The extension of apprenticeship to the colonies had a dark side in the West Indies. For example, to circumvent the conditions of the Abolition of Slavery in the Colonies Act 1834, planters in Jamaica had employed their former slaves as apprentice labourers with virtually no change of conditions, with the result that thousands continued to be flogged and punished. These matters were referred to a parliamentary select committee for advice (House of Commons 1837).

A later indication of apprenticeship in England is provided through what is effectively an 1842 job guide—*The complete book of trades* (Whittock 1842), which describes some 380 mainstream occupations. As with the earlier reference above, this book illustrates the nature of work in mid-19th century England and the changing nature of occupations. It shows the evolving nature of work and how new occupations emerge (gas fitter was very new in 1842, with the work done by former brass workers), some become redundant, some become less important, and others remain.

Of the craft or trades occupations in the 1842 listing, the following still exist today:

- baker, barber, bricklayer (though in 1842 they were multi-skilled and covered roof tiles and slates)
- cabinetmaker and upholsterer (also multi-skilled)
- carpenter and joiner, gardener (rarely apprenticed in 1842)
- glazier, jeweller, machinist (not apprenticed in 1842)
- stonemason, painter, plasterer, plumber, tailor, turner (not apprenticed in 1842)

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Occupations such as farrier, cooper, saddler and engraver, which were very popular and important in 1842, are now minor specialised occupations.

The *Complete book of trades* includes a list of the fees that an apprentice would have to pay a master to obtain an apprenticeship and the amount of capital required for establishing a business when trained. The more attractive trades attracted the highest fees. The system was heavily influenced also by the social class system in England at that time, and a person's parentage was very important for entry to the more favoured situations. Some of the more interesting annotations in the book are the following.

- Baker

  The greatest part have served no apprenticeship. They come to London when young men and offer themselves at a low price to master bakers. They are employed in doing the most laborious and disagreeable part of the work and in time get an insight into the business. In a year or two they become sufficiently expert to undertake situations as journeymen.

- Barber

  For parents who cannot afford a large premium.

- Cabinetmaker and upholsterer

  An apprenticeship with a master undertaking work for the upper classes would require a premium of 100–200 pounds. One in a working department would cost only 30–40 pounds.

- Ladies dressmaker

  Workwomen get but little wages at this occupation.

- Plumber

  The fee for an apprenticeship would be 20 pounds to be trained as a journeyman and 100 pounds for those who wish to be masters.

- Printer

  The fee would normally be 20 pounds but could be 40 pounds for boys of good parentage.

- Wheelwright

  Is a hardworking business. Apprentice fees are scarcely worth anything.

Apprentice masters restricted the supply of journeymen through apprenticeship by the application of high premiums, particularly for attractive occupations. Typically, masters gave priority to apprenticing their own sons or men who were fortunate enough to marry their daughters. It appears that sometimes the apprentices were paid wages and at other times they were not. It also appears that during the 19th century, apprenticeship became badly corrupted with the growth of factory work in England when it was used to 'bind' young people to factory work. The apprenticeship culture of that era is reflected in some of the books written by Charles Dickens (1812–1870).

Although the English model of apprenticeship survived its early adoption in Australia, the same was not the case in the United States. This could have been due to the fact that Australia retained stronger English connections than the United States. However, it could also have been because of economic factors. For example, Gospel (1994) suggests the following three reasons for why apprenticeship lost favour in the United States:

> *In the USA, it (apprenticeship) lacked the efficiency advantages of the apprenticeship system in the UK. In the context of high levels of geographical mobility and employment opportunities, it was difficult for American employers to enforce apprenticeship rules and to prevent apprentices walking off with their employer's investment. Occupational training markets, therefore, ceased to function effectively and to provide sufficient economic benefits for employers. Where it survived, (apprenticeship) was transformed into an institution which existed because unions could impose apprentice rules on small employers as in construction and printing.*
>
> *Mass production systems . . . could be operated with semi-skilled and unskilled production workers.*
>
> *Not only were unions weaker, but multi-employer bargaining was also less widespread than in the UK.* (p.511)

On the other hand, while similar conditions relating to immigration in the late 19th century existed in Australia, apprenticeship survived. Commenting on the Australian situation, Gospel (1994) also notes as follows:

> *In manufacturing in the early 20th century, given that product markets were small and protected and much work was of a small-batch, jobbing or repair nature, pressures and scope for capital substitution were low, and what was required by employers were all-round skills such as were produced by an apprenticeship.*
>
> *From the early 20th century, the creation of a system of compulsory arbitration and legally binding awards served to restore and codify apprenticeship rules and make them legally enforceable on employers. Simultaneously, the award system strengthened trade unions and thus provided further institutional support for apprenticeship.*
>
> *The State also played an important role. The largest employers were federal and state institutions such as the railways and public utilities. These employers felt obliged to support apprenticeships. Second, Australia developed a strong system of state technical institutions where trade courses were taught and which apprentices attended in relatively larger numbers than their counterparts in the UK and the USA.* (p.513)

Establishing apprenticeship in Australia

Apprenticeship came to Australia with the establishment of the colony of New South Wales in 1788. The colony adopted English law relating to masters and apprentices, and this became the basis of subsequent laws throughout Australia. The relationship between master and apprentice was effectively a contract of emplcyment and training. It was subject to the law mainly because it involved the employment of children.

Because of the relatively large number of migrants coming to the new colony, it could be assumed that most of the skill requirements of the period were met by the use of immigrant and convict labour. It is also reasonable to assume that as part of English culture at the time, apprenticeship was valued by employers and the community—it was an accepted way of providing young people with employment and training and, ultimately, giving them some status in the community.

It would further appear that having another way (apart from immigration) of providing craft skills was important to economic development. In other words, it was important for the community and the government to have a properly trained construction and manufacturing workforce which knew how to build and construct sufficiently well to ensure that buildings did not fall down or products fall apart.

By the end of the 19th century, apprenticeship was well recognised throughout all the States, which retained the responsibility for regulating and administering apprenticeship after Federation.

As indicated in the 1968 report by the Industrial Commission of New South Wales, chaired by Mr Justice Beattie, the NSW Apprentices Act 1894 established the first Australian apprenticeship legislation that differed from British law. A few years later, this Act was consolidated into the NSW Apprentices Act 1901, which included a detailed framework for the regulation of apprentices, including many features that remain at the present time. As the report explains (Beattie 1968, p.105), the 1901 Act:

- related to children not under 14 years of age (previously it had been 12 years)
- bound apprentices by indenture (and included a model form of indenture)
- specified the persons who could bind or cause to be bound apprentices under the Act
- specified the persons who could take such apprentices
- stated that no term of apprenticeship was to exceed seven years and was to expire at age 21 years
- had the provision that no apprentice was bound to serve his master for more than 48 hours per week (except for farmers or domestic servants)
- established simple forms of procedure for the settlement of differences and disputes between master and apprentice
- included summary remedies for breaches of contract such as absenting without leave etc.

Beattie (1968) also notes that subsequently, under the NSW Industrial Disputes Act 1908:

> *Apprentices received their first mention in our industrial legislation, there being included amongst the powers of a board the power to fix the number or proportionate number of apprentices and improvers and the lowest prices and rates payable to them.* (p.106)

From that point on, apprenticeship became an important industrial relations matter for the rest of the 20th century.

Other States followed with their own apprenticeship legislation to reflect the way that Australian apprenticeship had evolved from the English model. They also established industrial relations machinery to regulate precise conditions for each trade and to settle disputes. Apprenticeships under federal awards (such as in the metal, electrical and boot trades) came under the jurisdiction of the Commonwealth Conciliation and Arbitration Act 1904.

A common provision in apprenticeship legislation was for the establishment of committees to advise on matters for particular trades. For example, Pead (1981) explains the provisions under the Victorian Apprenticeship Act 1928, which were typical of legislative provisions in other States:

> *For each apprenticeship trade, the Commission was required to establish a Trade Committee consisting of equal numbers of representatives of employers and employees in that trade with the President as Chairman.* (p.10)

These committees proved to be extremely important to the development of apprenticeship in Australia. Normally, they included representatives from the trade unions and employer associations who were genuinely interested in apprenticeship and often promoted its development. They played significant roles in moving apprenticeship training from being mainly 'on the job' training to where it included a technical education component, provided by day release wherever possible. They were also concerned with the development and redevelopment of technical education courses for apprentices, in conciliating differences and disputes, and in generally ensuring employer and union support for apprenticeship.

In some cases, the committees' guardianship of the apprenticeship system engendered a conservative approach to change such that negotiations to reform aspects of apprenticeship suggested by others could become quite tedious and difficult. On balance, however, the work of these committees reflected industry support for apprenticeship and played a large part in gaining community acceptance for apprenticeship and embedding it into Australian culture.

Generally, government administration of apprenticeship in Australia was a responsibility of the ministerial portfolios of industrial relations, rather than education portfolios. This reflected the traditional importance placed on the contract of employment and training, which, until a few years ago, maintained the old English terminology 'indenture'.

Until at least 1950, wage determinations concerning apprenticeship in Australia reflected the fact that apprentices were mainly 'juniors' aged from 15 to 19 years. Generally, they took into account the following principles:

- *Needs*

  The basic wage embodied the 'needs principle' (a humanitarian living wage based on the needs of an average worker with three children). However, juniors such as apprentices were assumed to have lower needs than adult males as they did not have to support a family.

- *Work value*

  Juniors were generally regarded as having a lower work value than adults because of lower maturity and experience reflected in lower levels of skill and knowledge.

- *Allocative principle*

  This principle took account of the way that wages affect the supply and demand for labour both quantitatively and qualitatively. It was often expressed in awards as a prohibition on the employment of juniors except under an apprenticeship. It took account of the need to protect adult jobs and the need to prevent exploitation of cheap labour.

- *Capacity to pay*

  This principle applied only in times of economic uncertainty and only indirectly to apprentices to the extent that their wages were a proportion of an adult wage.

The impact of both industrial issues and the social/community value of apprenticeship in the first half of the decade may be noted from the following quotes from two industrial hearings.

They indicate that craft or trade apprenticeships were supported because they assisted poor people (mainly boys) to avoid dead-end jobs and achieve some status in the community.

- Commonwealth Conciliation and Arbitration Act—1921 Engineers Case

  I propose to prescribe wages for apprentices such as will enable poor parents to give boys a place in these crafts, without tempting them to put the lads when they leave school into some 'dead-end' labouring occupation. (Beattie 1968, p.295)

- New South Wales Industrial Commission—1948 Plumbers and Gasfitters Apprentices' Case

  We think also that the rates fixed should be such that they reasonably be expected to encourage boys to enter upon apprenticeship and not discourage employers from accepting apprentices. They should be such as to dissuade parents from placing their boys in dead-end occupations.[2] (Beattie 1968, p.291)

Economic and social progress in Australia in the first half of the 20th century was, of course, marked by three momentous events—the First World War, the Great Depression and the Second World War. In addition, the Australian population doubled—from just under four million in 1901 to about eight million in 1950.

As the 20th century progressed, apprenticeship became a common form of training for the trades and was subjected to an increasing amount of State legislation and federal and State awards. Increasingly, apprentices were required to attend technical education on a 'day release' arrangement, or at night, or through a combination of both. Significantly, the period of apprenticeship was reduced from seven years to five years after the First World War. During the 1960s, it was reduced to four years.

Very little statistical information is available for the period. However, it would be reasonable to assume that apprenticeship prior to the Second World War would have been on a much-reduced scale to what it became after the war. Pead (1981) notes that in 1935, there were 1555 apprentices in training in Victoria. Even allowing for a low employment base in the early post-Depression year of 1935, and a 230% increase in population by 1994, the number of apprentices in training in 1935 was still relatively well short of the 43 000 in training in Victoria in 1994.

[2] At that time, the award wages for 'improvers', to whom the employers were not bound to teach a trade, were substantially higher than for apprentices in the earlier years.

Apprenticeship after the Second World War

As a system for supplying skilled trades workers, the apprenticeship system was strained during and after the Second World War. Because of the shortage of skilled tradesmen who were serving in the forces, industry resorted to the use of 'dilutees', including many women. 'Dilutees' was the term given to workers who had a limited range of skills well short of the broad skills of a 'qualified' tradesman. After the war, the Tradesmen's Rights Regulation Act 1946 was passed to protect the rights of pre-war tradesmen who had survived the war against the dilutees and unqualified migrants who were beginning to arrive in Australia from Europe. This Act gave rise to a long-standing tripartite system for assessing skills in the metal, electrical and boot trades.

During the post-war boom, the Commonwealth Reconstruction and Training Scheme (CRTS) was established to facilitate 'fast track' training for the many servicemen returning from the war. This scheme demonstrated that adults could be trained as tradesmen in much shorter periods than the statutory five years that applied to most school-leaver apprentices.

The resilience of apprenticeship over this period is testimony to the individuals (particularly the many trade committee members referred to above) who kept it alive over the years. For example, the fact that women had demonstrated their capabilities was soon forgotten, as was the fact that the CRTS demonstrated that adults could gain trades skills quickly through intensive courses in technical colleges or industry skills centres without the need for long periods of on-the-job training.

After the Second World War, Australia experienced very fast economic development, driven in large part by large-scale immigration from Europe. The unemployment rate remained under 2% for the 20 years to 1970, and then increased to 4.6% by 1975.

During the 1950s, apprenticeship training in pharmacy and surveying was abandoned in favour of higher education courses. Nurse training retained the apprenticeship model until the early 1980s, when it also transferred to higher education following the 1978 Report of the Committee of Inquiry into Nurse Education and Training. In 1977, there were 26 525 nurses in training in Australia (Karmel 1978, p.132). Most of the nurses were females and the annual intake of some 10 000 was significant even compared with the 1977 intake into trade apprenticeships (38 680), most of whom were males (DEIR 1986a, p.7).

Growth in apprenticeships

The availability and quality of apprenticeship statistics has been a long-standing problem. Until 1954, each State administration collected data in different styles and degrees of quality. Accordingly, it is almost impossible to make accurate quantitative statements about the role of apprenticeship in the labour market in earlier years. However, four references provide some indications of the growth in apprenticeship.

The first reference is Victorian apprenticeship data provided by Alan Pead, former President, Industrial Training Commission of Victoria, for the years 1935 to 1975. These statistics are shown in table 1 together with 1994 data from the National Centre for Vocational Education Research (NCVER) (1995).

Table 1 shows that the ratio of apprentices in training to population rose substantially between 1935 and 1950 and then doubled again by 1975, when it stabilised. Although the 1935

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base may have been low owing to overall low employment at that time, the data suggest that prior to the mid-1930s, apprenticeships were not widely used.

Table 1: Estimated number of apprentices in training, Victoria

Year	No. of apprentices in training	Population of Victoria (millions)	*Apprentices per population %
1935	1 555	1.9	0.08
1950	9 912	2.2	0.45
1955	15 378	2.5	0.62
1975	33 532	3.6	0.93
1994	43 172	4.3	1.00

Note: *For reference, the 1994 percentages of apprentices in training to population varied as follows: NSW (0.62), Vic. (0.96), Qld. (0.74), WA (0.67), SA (0.63), Tas. (0.65), ACT (0.71), NT (0.65), Australia (0.73).

Sources: Pead (1981, p.11) and NCVER (1995)

As the period of training shortened from five years to four years in the mid-1960s, care has to be taken in comparing historical data on numbers in training. However, even allowing for that change, table 1 also shows that, relative to population,* there was a period of substantial growth in the use of apprenticeship in the 25 years between 1950 and 1975 and that its usage, relative to population, remained about the same for the next 20 years.

The second reference is information in appendix 39 (p.586) of Beattie (1986). This shows that between 1950 and 1966, apprenticeship approvals (or commencements) in New South Wales increased by 67% from 5995 to 10 048 while the population rose by 31%—much the same relative increase as in Victoria. The Beattie data also show that such approvals, as a proportion of males aged 15 years, remained fairly steady at about 28%.

A third quantitative guide to early in the period is the estimate in Wright (1954, p.11) that 'so far as we can judge from the information at our disposal, there are (at 1953) probably between 65 000 and 70 000 apprentices in Australia at various stages of training'.

Such numbers of apprentices in training, expressed as a percentage of population at that time, (0.72) are comparable with those shown above for Victoria in 1995, which produced a percentage of 0.62.

Table 2 provides a fourth statistical guide to changes in apprenticeship. It shows how the supply of tradespersons from apprenticeship compensated for the decline in immigration when it fell during the 1960s. The table also shows the low apprenticeship intakes in the 1960s compared with those of subsequent years.

Table 2: Supply of tradespersons from apprenticeship and immigration

Year	Apprentice completions		Net settler gain		Total
	nos	%	nos	%	
1963–64	14 930	53	13 168	47	28 098
1966–67	17 071	59	12 034	41	29 105
1969–70	26 435	70	11 389	30	37 824
1972–73	22 862	79	6 240	21	29 102
1975–76	26 183	89	3 325	11	29 508
1978–79	30 632	89	3 967	11	34 599
1981–82	32 015	78	8 977	22	40 992
1984–85	36 534	95	1 921	5	38 455

Sources: Kirby (1981, p.15) and DEIR (1986b, p.21)

Proposals for change 1950–1972

The period from 1950 to 1972 was marked by the action by the Commonwealth Government to intervene in a significant way to improve all levels of education except technical education. Major inquiries during the period included the 1957 Murray Inquiry into university education, the 1961-65 Martin Inquiry into advanced education, including teacher education, and various inquiries into schooling. Commonwealth financial assistance followed these inquiries and participation in all forms of education increased, particularly in higher education. For example, between 1950 and 1972, enrolments in higher education increased by 570%—from about 30 630 to 209 005. Over the next 20 years to 1992, they would grow to 559 365 (DEET 1993, pp.8, 46), (CTEC 1986, p.282).

As these changes were introduced between 1950 and 1972, the Australian population grew from approximately eight million to 13 million.

The period was one of steady economic development in Australia, mainly fed by exports of wool and wheat. Unemployment was very low, but the labour market was such that, generally, employees had high levels of job security and job mobility was low. Compared with the last decades of the century, there was little social change until opposition emerged to the Vietnam War. In this environment, apprenticeship evolved slowly—it was largely taken for granted as a way of training for the trades and was supported by both unions and employers and the negotiated apprenticeship provisions were included in industrial awards.

The apparent complacency about apprenticeship was eventually broken, and a number of inquiries into the apprenticeship system were established. These inquiries examined the traditional trappings of apprenticeship and led to further serious questioning about whether and how it might be improved.

The Commonwealth commenced taking an interest in apprenticeship mainly because of the importance to the national economy of having a reasonable supply of skilled tradesmen, particularly as immigration levels declined—immigration had played a major part in the post-war development of Australia.

Importantly, from a policy perspective, the Commonwealth interest emphasised national issues. However, very little progress was made. The evidence suggests that while the Commonwealth recognised some of the reforms that needed to be made, it lacked the commitment to actually bring about change.

Writing of the 1950s and 1960s, Kirby (1981) noted that:

> *Australia had practically no manpower programmes in the 1950s and 1960s. The Department of Labour and National Service concerned itself largely with industrial relations matters (which appeared to dominate its thinking and monopolise its initiative) and the operation of the traditional public employment service.*
>
> *Surprisingly, however, given the persistent labour shortages in some sectors, little seemed to be made of the Department's industrial relations expertise to alleviate manpower problems. Although a great deal was spoken and written about the inadequacies of the apprenticeship training system, practically no reform of the system was attempted or policy analysis of wages issues relating to labour market imbalances undertaken.* (p.8)

There was also the problem that governments did not want to cause unnecessary industrial disputes. As far as apprenticeship was concerned, governments were third parties—if either party to apprenticeship (i.e. employers or unions representing employees) did not want to

change apprenticeship conditions, it was always going to be difficult to convince them to do so.

In summary, although various State, Commonwealth, and Commonwealth-State committees and inquiries were established to examine apprenticeship and make recommendations for change, little fundamental change occurred.

Despite the poor level of resources available to technical education, the period saw a steady introduction of new ways of delivering technical training to apprentices. For example, arrangements were made for apprentices to receive technical education in a range of new formats, including day release from employment, block release, and initial off-the-job courses both within apprenticeship and prior to apprenticeship (pre-apprenticeship courses). Differing opinions developed as to the value and appropriateness of pre-apprenticeship courses—Victoria strongly preferred training within apprenticeship with the apprentices paid wages, while the other States were generally willing to trial new arrangements.

A complicating factor during the period was the significant debate about the relative values of general education and technical education. The main outcome from the debate was the discontinuation of technical education (and domestic science) in high schools in favour of general education.

The first significant national policy-oriented development concerning apprenticeship in the period was the decision at the 1950 Premiers' Conference to establish the Commonwealth-State Apprenticeship Inquiry, chaired by Mr Justice Wright. The terms of reference were to 'inquire into and report upon whether, to meet the present and future requirements for skilled tradesmen . . . any adjustments in the apprenticeship system are necessary' (Wright 1954, p.5).

The report of the inquiry noted that 'the present investigation is the first full-scale inquiry into the subject on a nation-wide basis, with both Commonwealth and States participating' (p.6).

The inquiry met from April 1952 to March 1953 and reported in March 1954. It involved public sittings and 138 submissions. The long period to complete the Wright Report suggests a lack of urgency. The delay is described in the report as a 'studied delay' to cater for a downturn in the economy that occurred after the 1950 agreement at the Premiers' Conference to move ahead. Perhaps if the economy had not picked up in 1953, the inquiry may have been abandoned.

The 1954 Wright Report was a strong confirmation of the value of trade apprenticeships. It included 90 recommendations to improve the apprenticeship system. Among these were steps to achieve more uniformity between the States in the legal arrangements surrounding the indenture process. The report was the first major attempt by the Commonwealth to have an involvement with apprenticeship. Among its recommendations were two quite provocative suggestions that were unacceptable to the States:

> *Apprentices should be regarded primarily as training or educational units and not industrial units.* (Wright 1954, p.32)[1]

> *A Commonwealth industrial tribunal should be established with power to fix an Australian standard of wages and conditions for apprentices which would be mandatory for State industrial authorities to adopt.* (Wright 1954, p.27)

An agreed outcome was to establish the Australian Apprenticeship Advisory Committee (AAAC), an advisory body comprising apprenticeship authorities that would meet annually

[1] It is interesting to note that in 1984, the Kirby Committee came to a similar conclusion that 'the emphasis on apprenticeship should be on its role as a training system rather than as a means of employing young people' (Kirby 1985, p.127).

to discuss matters of common interest. The AAAC did not meet until 1957[4] but remained for nearly 20 years until the Commonwealth and State Apprenticeship Committee (COSTAC) replaced it. A senior officer from the Commonwealth labour department chaired both the AAAC and COSTAC.

The interest in reform was again evident in a 1959 report *Training for industry* (AIDA 1959) by a high level committee of the Australian Industries Development Association. This report made more than 100 recommendations, including many that had been tabled before and others that came to be recommended over and over for the next 40 years, and would sit well in most contemporary reports on the subject. For example, the report (p.29) called for:

- more avenues to the trades other than apprenticeship
- apprenticeship terms to be less than five years
- intensive pre-apprenticeship courses in trade centres or technical college
- re-skilling of those whose skills are out of date
- apprenticeships for adults as well as young people aged 15 to 16
- the adoption of a scheme similar to the post-Second World War II CRT Scheme
- apprenticeship to be assessed by competence and testing, rather than the passage of time

In 1962, the Department of Labour and National Service, which administered the Commonwealth's interest in apprenticeship, organised a high level conference of officials and union and employer associations at Rowville, Victoria. The purpose of the conference was to ensure (again) that 'sufficient skilled workers are available to meet the needs, present and prospective, of the Australian economy' (DLNS 1966, p.2). Lower level State officials, including those who were directly concerned with administering apprenticeship, were not invited. Subsequently, they refused to accept or act on the outcomes of the meeting.

Pead (1981) notes that 'the Rowville Conference produced little or no positive results and aroused considerable dissatisfaction, in the States that had been excluded. It did nothing to improve Commonwealth-State relations' (p.13). However, the Rowville Conference was notable for three outcomes:

- It canvassed the notion of group apprenticeship, which had worked successfully in the United Kingdom. Although some examples of group apprenticeship commenced in the 1960s, such as in the metal trades in Sydney, some 20 years were to pass before it gained wider acceptance in Australia.
- Plans were made for shorter periods of apprenticeship that were put into effect later in 1962 by consent variations to the Federal Metal Trades Award. According to Pead (1981), 'Prior to the 1962 amendments, the term of apprenticeship for almost all trades was five years' (p.15).
- The Commonwealth agreed to what appears to have been the first instance of Commonwealth financial support for apprenticeship. The Country Apprenticeship Scheme involved a subsidy to employers of £3 per week during the first year of an apprenticeship and living-away-from-home allowances for country apprentices. Expenditure over three years to 1966 was £710 000.[5]

As immigration began to slowdown in the 1960s, Australia also commenced its move away from its special economic relationship with Britain and further questions were raised as to the adequacy of apprenticeship as a source of skilled workers. For example, in a 1966 Working

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[4] It might be noted that seven years elapsed from when the premiers agreed to establish the Wright Inquiry and when any of its recommendations (such as to establish the AAAC) was taken up. Furthermore, while the AAAC was a useful co-ordinating group, it did not always have the support of senior State officials and made very slow progress with contentious issues.

[5] It is worth noting that Commonwealth expenditure on labour market programs (excluding running the Commonwealth Employment Service) took until 1973–74 to reach $12 million. By 1983–84 they had reached $850 million (Kirby 1985, p.4).

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Party Report (DLNS 1966), the then Secretary of the Commonwealth Department of Labour and National Service, Sir Henry Bland, noted that:

> *Apprenticeship stems from an era pre-dating the Industrial Revolution, mass production methods and modern distribution techniques. It had its origin in days characterised by unemployment or underemployment and by a stratified society. It was at the same time a form of education, when universal education was unknown, and a training for a vocation. Its end product, journeyman's status, was something to be prized, something that would lift a man out of the labourer's ranks. Other career opportunities giving status were few and normally not the expectation of sons of the ordinary family. Other career opportunities giving higher status were few and normally not the expectation of sons of the ordinary family. Fundamentally, the conceptual basis of apprenticeship in Australia has remained unchanged.* (p.3)

The report recorded the view that apprenticeship was not changing quickly enough but reflected the attitude of the time by backing off any real action to reform the system. For example, the main outcome was a recommendation to establish yet another high level tripartite committee to consider:

- *action to attract more lads to apprenticeship*
- *the working of the shorter term apprenticeship*
- *the needs for levies as introduced in the UK*
- *further research on why apprenticeship is not attractive to lads* (p.13)

The apprenticeship system in New South Wales was the subject of an extensive inquiry by the Industrial Commission of New South Wales, chaired by Mr Justice Beattie in 1968. His 638-page report (Beattie 1968) was a milestone in the history of apprenticeship. It addressed every aspect of apprenticeship and played a large part in determining future policy. Relevant to the occupational coverage of apprenticeship, for example, he concluded that:

> *The criteria which should be used in determining whether compulsory apprenticeship should be prescribed for a particular occupation are these:*
>
> *(a) that the occupation requires a substantial degree of skill and an accompanying knowledge of the theory involved;*
>
> *(b) that such skill and knowledge can be acquired while working on the job only though long practice extending over a period of years;*
>
> *(c) that the occupation has become recognised in the community as a distinct one, meeting the needs of the public for a particular class of skill and being practised by a significant number of workers;*
>
> *(d) that it is desirable in the interests of both the public and of the skilled persons following the occupation that all entrants to the trade shall pursue a systematic period of training;*
>
> *(e) that it is in the interest of minors entering the occupation to ensure that, under an arrangement binding on their employer, they are taught the skills and knowledge of the occupation and not merely some part of it.* (sec.4.12 [3], pp.143–44)

Other comments included the following:

- *In respect of most occupations which are recognised as skilled trades, awards provide for compulsory apprenticeship. This means that they forbid the employment of minors in those occupations except under contracts of apprenticeship conforming with stated requirements.*[6] (sec.4.12[2], p.143)

[6] This provision has existed since Elizabethan times. It is still in place in some State and Territory legislation in Australia and applies to people under 21 years.

- *If the institution of apprenticeship is to remain an effective means of training an adequately skilled workforce, it will be necessary for the community to accept a bigger share of the costs of training apprentices than it now does.*[7] (sec.17.13[8], p.495)
- *Broad training rather than job specific training.* (sec.4.12[4], p.143)
- *Periodic reviews of the lists of prescribed occupations to achieve consistency and remove obsolete occupations.* (sec.4.12[7], p.144)
- *Uniform nomenclature and skill content in all States to assist mobility of labour.* (sec.4.12[9], p.144)
- *Extension of the apprenticeship to commercial occupations.* (sec.4.12[10], p.144)

The 586-page report *The training of skilled workers in Europe* (Tregillis 1969) was yet another major contribution to training policy. It followed an investigation of the methods for training skilled workers in 17 European countries, particularly in relation to the engineering and electrical trades. The investigation involved six senior officials from the unions and industry associations visiting Europe from mid-October 1968 to early March 1969. Brian Tregillis, then Deputy Secretary, Commonwealth Department of Labour and National Service, led the mission team.

Perhaps the most critical outcomes from the Tregillis Report concerning apprenticeship were the recommendations concerning the need to reduce the costs to employers of employing apprentices (consistent with the Beattie Report) and the possible value of a United Kingdom-style levy grant system. The report also provided much information on European training practices and led to a further opening-up of thinking about and beyond apprenticeship.

Subsequently, Australia's first National Conference on Training for Industry and Commerce was held at the Australian National University, Canberra during May 1971. That conference involved some 311 delegates (including seven government ministers) and broadened the debate on training beyond the trades (DLNS 1971, p.1). A departmental report to the Organization of Economic Co-operation and Development (OECD) noted that following the conference, in July 1971, the Minister for Labour established the tripartite National Steering Committee on Training for Industry and Commerce to continue the work initiated by the conference (DL 1974, p.149). Later, this committee was subsumed into a new National Training Council.

Overall, the impact of the Tregillis Report and the Canberra conference was to raise awareness of the need for industry to train. It also established a rationale for Commonwealth financial support for training and apprenticeship. Other direct outcomes included:

- the establishment of two 'train the trainer' centres in 1972 (DL 1974, p.153)
- the establishment in November 1973 of industry training councils in about 14 industry sectors: these councils were the forerunners to what are now known as national industry training advisory bodies (ITABs) (DL 1974, p.152)

In summary, perhaps the main points to come out of the period from 1950 to 1972 were that:

- inquiry after inquiry confirmed the benefits of apprenticeship but at the same time criticised its inflexibility
- at the grass roots, changes did occur—day attendance at technical and further education (TAFE) and pre-apprenticeship were introduced
- most of the options for systemic change to apprenticeship that were found to be effective many years later were known in the 1950s and would sit comfortably in a contemporary report

[7] At the time, the Commonwealth was spending less than $1 million on labour force programs, excluding the Commonwealth Employment Service (CES).

- the inquiries into apprenticeship seemed to lack urgency and grass roots support to bring about change
- the lack of action demonstrated the difficulty of making fundamental reforms, particularly in convincing employer and union representatives on State advisory committees who became suspicious of the motives of 'outsiders' who wanted to change the system

Commonwealth intervention 1972–1984

The period between 1972 and 1984 was one in which a great deal of official attention was directed at working through many of the shortcomings with apprenticeship that had proven to be difficult to address in earlier years. Furthermore, the acknowledged permanence of the reduced immigration intakes (shown in table 2) and a concern about possible skills shortages became important factors for public policy.

Continuing government concern with the need to avoid skill shortages of tradespersons led to further consideration of how to assist employers to offset the costs of training apprentices, as recommended, in general terms, by both Beattie and Tregillis. A number of options were considered, including direct financial assistance, tax concessions, levies and grants, promotion, and ways of encouraging employers to have more apprentices.

An associated factor was the perceived discrepancy between government support for the post-school education and training of professionals (in higher education) and its lack of support for the education and training of tradesmen.

In January 1973, the Commonwealth finally decided to provide financial support for apprenticeship when it introduced the National Apprenticeship Assistance Scheme (NAAS), which involved financial assistance to encourage employers to take on first-year apprentices, and living away from home allowances for apprentices from country areas. Between 1973–74 and 1975–76, funding under NAAS increased from $6.5 million to $34.9 million (Kirby 1981, p.13).

With the benefit of hindsight, NAAS was a landmark program in the history of apprenticeship in Australia—it was the first time that the Commonwealth had injected significant funding into apprenticeship and trade training. NAAS established the precedent for Commonwealth funding for apprenticeship. In 1973–74, the NAAS funding would have been about half of the $12 million allocated for Commonwealth labour market programs. The latter were to grow to $849 million by 1984–85, excluding the CES (Kirby 1985, p.64).

Importantly, until the Commonwealth intervened in apprenticeship in 1973 by way of the NAAS funding, apprenticeship in Australia had worked effectively without government subsidies (apart from the costs of technical education costs and supervision of apprentices by the States). As a contract between an employer and an apprentice, apprenticeship had always been designed to provide benefits to both parties—the employer and the apprentice. These obligations and benefits were taken into account in the various determinations of apprentice wages.

Furthermore, until 1973, apprenticeship in Australia had been characterised by the way it had been 'industry driven', with ownership resting almost exclusively with the industrial parties (and involving the committees referred to earlier). State Government administration of apprenticeship had concentrated on servicing advisory committees and resolving disputes between employers and apprentices. Little attention had been given to overall apprenticeship policy.

The Commonwealth decision in 1973 to become involved in apprenticeship provided a lead to the States and Territories also to become more active in policy issues.

The Report of the Australian Committee on Technical and Further Education (ACOTFE) in 1974 (Kangan 1974) was the final report of a series concerned with improving education—earlier reports had addressed needs in universities, advanced education and schools. The report recommended substantial Commonwealth funding for TAFE to upgrade facilities and

the learning process. It played a critical role in improving facilities for trade training and apprenticeship, which by 1975 accounted for 20% of all enrolments in TAFE and 39% of total teaching effort (TAFEC 1976).

Importantly, the Kangan Report specified a philosophy to be followed in the development of TAFE. This involved recognition of the need for individuals to have opportunities for lifelong learning and for the emphasis on TAFE to be on 'the needs of the individual for vocationally oriented education and the manpower needs of industry should be seen as the context of courses' (Kangan 1974, p.xxiii).

In regard to trade training, this philosophy was summarised in a 1976 Australian submission to the OECD as follows:

> *Mention was made earlier in this chapter of the narrowness and the high degree of skill and industry orientation of many TAFE courses. This is nowhere truer than in relation to the trades stream which has also had to carry the greatest share of the burden of low funding in such areas as equipment and facilities, which are often very expensive, and curriculum development. When these disadvantages are coupled with the conservative outlook of many of the bodies advising on trade courses the static condition of trade training becomes explicable. Many of the measures suggested by ACOTFE are designed to bring about change in emphasis in TAFE from the needs of industry to the needs of the individual. This change is especially important in the trade training areas where the needs of individuals (because they are usually younger an have no option but to attend courses) should occupy a more central position.* (DE 1976, p.115)

The subsequent report by the OECD examiners (OECD 1977) noted the strengths and weaknesses in the apprenticeship system. It commented that:

- *the apprenticeship system has served Australia well and it should not be swept away unless something better is put in its place* (p.54)
- *in some trades, the length of apprenticeship could be made more flexible and in some ways its quality could be improved if more extensive use were made of pre-apprenticeship courses of various kind* (p.55)

The 1974 decision to provide Commonwealth assistance to TAFE was instrumental in changing the whole approach to technical education in Australia. Kangan compared the decision to support TAFE with 'Cinderella coming to the ball'. He was referring to the fact that TAFE was very much the poor relation to universities and colleges of higher education. By 1974, the physical facilities available to TAFE were very poor—often they were worn out buildings that universities had vacated years earlier and the equipment available for teaching apprentices was very old.

The 1973 decision to support apprenticeship and the 1974 decision to support TAFE were complementary and critical to the future development of trade training in Australia.

By 1977, concerns about the adequacy and quality of apprenticeship had grown. In response, the Commonwealth replaced NAAS with the Commonwealth Rebate for Apprentice Full-time Training (CRAFT) scheme, which essentially provided employers with rebates to offset the cost of wages lost when apprentices attended technical college or other approved off-the-job training. CRAFT also had other elements, including two consecutive $1000 bonus schemes to encourage employers to take on additional apprentices.

CRAFT had the objectives of improving both the quantity and quality of trade training. It was developed in the context that even in the late 1970s small business played a large part in training apprentices. The Australian paper on apprenticeship, presented to the OECD in 1980, noted, for example, that 68% of apprentices were employed in firms with one or two apprentices and that such firms had accounted for 80% of the growth in apprentice numbers over the previous ten years (DEYA 1981, p.8).

The availability of CRAFT to employers ensured that apprentices did attend technical instruction at TAFE and enabled the further development of block release courses, particularly for country apprentices in Queensland.*

CRAFT was consistent with the notion that government should subsidise apprenticeship for reasons of economic efficiency. The underlying rationale was that, as in the last century, the trades were critical to economic development to the extent that if Australia became short of skilled trades, then wages would be bid up in construction and manufacturing, and inflation would follow.

The fact that CRAFT was a trade training program based on an economic objective, meant that it could not be used to assist occupations that were not trades. While some new occupations could be classified as trades and became eligible for CRAFT, other proposals for coverage were rejected. One of the more colourful State proposals to be rejected was one to declare the occupation of jockey as a trade. In another case, because real estate was not classified as a trade, a well-developed State proposal to provide apprenticeships in real estate did not materialise because CRAFT would not have been provided.

The trade focus of CRAFT was often criticised on equity grounds because males made up 90% of employment in trade occupations. The only significant trade occupation with significant numbers of females was hairdressing. In later years, females also became attracted to apprenticeships in cooking and gardening.

In 1979, the Report on Education Training and Employment (Williams 1979) recommended an increase in the amount of pre-employment education and training for the trades. It also recommended 'a determined effort to base training arrangements on the analysis of skills involved and the efficient ways of acquiring them, and not on custom' (p.337). This was a 'not so subtle' criticism of apprenticeship and the difficulty of reforming it.

Again in 1980, trade training came under the spotlight as concern mounted about the capacity of the labour market to produce sufficient skilled people to construct very large resource projects. The latter were planned for the North West Shelf in Western Australia (natural gas extraction) and the Hunter Valley in New South Wales (aluminium smelters and power stations).

Acting on a request from the Premiers Conference in June 1980, the Departments of Labour Advisory Committee (DOLAC)* established a working party of Commonwealth and State officials. It was asked to report on ways of addressing skill shortages and 'assessing the need for change in the present trade training system, including possible new arrangements' (DOLAC 1980).

The short DOLAC Working Party Report commenced with the comment that 'The facts behind the commissioning of this report are simple, the issues complex'. It received a large amount of positive publicity in the newspapers and, in September 1980, Commonwealth and State Ministers for Labour endorsed its 27 recommendations as a 'blueprint for action'.

Outcomes from the report were tabled in a subsequent DOLAC Report in March 1982 (DEYA 1982, Attachment pp.5-8). They included:

- an increase in the funding for CRAFT from $64.5 million in 1980-81 to $72 million in 1981-82
- an application in August 1981 by the Metal Trades Industry Association (MTIA) to vary the Federal Metal Industry Award in respect of provisions relating to the proportion of apprentices to tradesmen, the requirement to complete and apprenticeship by the 23rd birthday, and credit provisions for completion of pre-apprenticeship courses

* Although State legislation made it compulsory for apprentices to attend formal training, some employers continued to find reasons for not releasing their apprentices.
* DOLAC was a grouping of the heads of the State and Territory Departments of Labour that was chaired by the Secretary of the Commonwealth Department responsible for labour force matters.

- the commencement in 1981 of Commonwealth financial support for group apprenticeship. Group apprenticeship had existed on a small scale for many years—as a marginal activity to traditional apprenticeship
- an increase in enrolments in pre-apprenticeship courses to 5416 in 1981
- action to finally improve statistics on apprenticeship
- Commonwealth funding for 'one off' Commonwealth-State schemes to train apprentices for major resource projects in New South Wales and Western Australia

The early 1980s were a period of much official activity to implement the recommendations of the DOLAC Report and develop and put in place measures to improve the flexibility of the trade training system. Through DOLAC and the Commonwealth/State Apprenticeship Committee (COSTAC), which had replaced the AAAC in 1978, detailed position papers and action plans were prepared on a range of issues including:

- new statistical frameworks for collecting data on apprenticeships from the States and Territories
- apprentice wage fixation
- financial assistance for group apprenticeship schemes
- the German apprenticeship system
- trade-based pre-employment courses
- the feasibility of institutional trade training

In 1982, bearing in mind the overseas trend towards institutional training, DOLAC referred the matter of institutional trade training to COSAC for examination. The COSAC Report, which was finally released for comment by Commonwealth and State ministers in March 1984, recognised the potential for such training as well as the practical and industrial realities of taking it further at that time. For example, it concluded rather equivocally that:

> *Full-time institutional training, whereby trainees are required to full trade status without receiving actual work experience, cannot generally be considered to be a viable option.*
>
> *In the short term, whilst there will continue to be some scope for innovative approaches to trade training, the various legislative, industrial and administrative arrangements surrounding trade training will be difficult to change, and will therefore limit the development of institutional options which go substantially beyond those arrangements.*
>
> *In the longer term, there are good prospects for change, provided that the social partners, particularly unions and employers, are consulted and are involved in the planning process.*
>
> *There is already a well-established trend towards increasing the institutional component of trade training through pre-apprenticeship and pre-vocational courses. Based on the experience with such courses, it is clear that institutional training can achieve many of the benefits claimed for it, provided close attention is given to course design and implementation.*
>
> *Although some trades are regarded as more suitable than others, no major trade is regarded as obviously unsuited to institutional training.* (COSAC 1984, p.vi)

Although trade-based pre-employment and pre-vocational courses had become common in many States and were actively promoted by the Commonwealth, they met strong resistance in Victoria. The major stakeholders in apprenticeship in Victoria opposed such courses mainly because they considered that:

- apprentice training should only take place within employment (and thus involve the payment of wages)
- if graduates from such courses were unable to secure an apprenticeship, they may seek work as 'half-trained' tradespersons or 'dilutees'

A major analytical product of the period was a practical and comprehensible planning model that was developed by the Department of Employment and Industrial Relations (DEIR) to estimate the level of annual apprentice intakes required to maintain an adequately sized

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trades workforce. The third (and apparently final) version of these models was the result of experience and much discussion. It was eventually published in a 1986 report to DOLAC—*Review of the labour market for the trades* (DEIR 1986b). Key findings included the following:

- The main purpose of apprenticeship was to replace wastage in the trades, which was defined as occurring when—'qualified tradespersons move to other occupations where no or few trade skills are used or, to a lesser extent, out of the labour force altogether (eg. due to retirement and death)' (p.18).
- At the time, the wastage through apprenticeship averaged 23% for all trades but was as low as 15% for the electrical trades (p.23).
- Under 'normal' circumstances, an annual intake of about 45 000 new apprentices was necessary to maintain an appropriate level of trade skills. This was equivalent to 7% to 8% of qualified stock (pp.32–33).

The traineeship period 1984–1990

By 1983, unemployment (particularly youth unemployment) was a major problem for the newly elected Hawke Government. The 604 000 unemployed compared with only 78 000 at the beginning or the 1970s.

A 1983 report, *Youth wages, employment and the labour force*, by the Bureau of Labour Market Research had opened up debate in the media about the possible merits of reducing youth wages to improve the job opportunities of young people relative to adults.

At the same time, concerns were mounting in Commonwealth circles about the unco-ordinated nature of the Commonwealth's labour market programs and the escalating costs associated with them. To examine these matters, the Government established a Committee of Inquiry under the chairmanship of Mr Peter Kirby. The committee reported in December 1984.

The centrepiece of the committee's report (Kirby 1985) was the recommendation to establish a system of traineeships that would be similar but different to apprenticeships. Again with the benefit of hindsight, the proposal to establish traineeships was another critical event in the evolution of apprenticeship in Australia.

In the manner of Kangan some ten years earlier, the Kirby Report presented a philosophy as well as practical options.

The philosophy was the committee's view that 'the most appropriate rationale for labour market policy is to help people control their working lives' (p.6).

The pragmatism was reflected by the early overview comment that 'there are no simple solutions' (p.3) and in the way the various recommendations were presented, particularly those relating to trade training and traineeships.

To understand the importance of the recommendations on traineeships it is necessary to understand that the context in 1983 was one in which:

- There was a new government (led by Mr Hawke) that wanted to make its mark on labour market matters.
- The apparent national school retention rate to Year 12 was 40.6%, compared with nearly 80% in 1999.
- There were 348 577 students in higher education compared with about 600 000 in 1999.
- There were 604 000 unemployed compared with only 78 000 in 1970 and about 800 000 in 1999.
- The apprenticeship system was working reasonably well but was costing more and more in government support.
- The comprehensive occupational coverage of German apprenticeship was widely known among the training community and had been lauded (rightly or wrongly) as one of the reasons for what was then called the West German economic miracle. Accordingly, a number of proposals had been considered to extend the coverage of Australian apprenticeship to beyond the trades. However, already in 1984–85, trade trading (and apprenticeship) accounted for some $550 million of Commonwealth and State expenditure, including expenditure on TAFE (about $400 million), Commonwealth subsidies (about $122 million) and apprenticeship administration (about $30 million).

- Reflecting government budget concerns at the time, the Kirby Committee had been instructed to consider 'the need for continuous restraint in the growth of public expenditure and the desirability of maximising efficiency and cost effectiveness in the provision of labour market programs' (Kirby 1985, p.13). Effectively, this meant that the committee was asked to come up with 'cost neutral' solutions.

Another fundamental background factor was the knowledge that about 100 000 young people appeared to be going nowhere:

> *Of the 250 000 young Australians who reach the school leaving age each year, close to 100 000 immediately continue their education and complete 12 years of schooling. Many go from there to higher education, 35 000 to 40 000 gain an apprenticeship. Perhaps 10 000 to 15 000 enter full-time vocational courses in certain areas which have no Year 12 prerequisite. The remainder, over half of whom are females, seek to enter the labour force with no substantial vocational preparation. There may be as many as 100 000 young people in this category.* (Kirby 1985, p.61)

One option would have been to simply extend the coverage of the apprenticeship system beyond the trades. Under the circumstances in 1984, this would have been too expensive if it had involved the extension of CRAFT. The report noted:

> *we do not favour the extension of CRAFT beyond the trades in which it currently operates. To do so would provide further support for what is, in effect, an inequitable and expensive practice of subsidising full-time training on full award wages. It would be inconsistent with our view that the costs of training need to be shared more equitably between individuals, employers and governments.* (p.134)

Another option would have been to reduce the need for CRAFT by somehow changing the fundamental way in which apprentice wage rates were determined, with a view to redistributing overall costs. For example, perhaps the trade training system could be moved more towards the German model of paying allowances rather than wages.

> *Current rates of pay for apprentices in Australia make it imperative for many employers that apprentices be productive. Lower rates of pay in West Germany allow the employer to place less emphasis on production, more on training, and consequently allow shorter training periods.* (Kirby 1985, p.126)

Because of the long industrial history of apprenticeship in Australia, this option was too impractical.

The proposal finally presented in the report was for 'a legitimate training system' (p.117) of traineeships that would 'act as a stepping stone into primary labour market jobs' (p.114). The traineeships would combine learning and working in a similar way to apprenticeships but would apply to non-trades occupations and:

- initially attract 16 and 17 year olds who had not completed Year 12
- take about 12 months to complete including about 65 days off-the-job formal training which could be undertaken either two days per week or as a 13-week block

The report proposed that formal training should include general or transferable skills 'focussing on families of occupations' (p.115).

Perhaps the most innovative (and critical) feature of the proposal, which soon became lost, was the suggestion for income support. The report notes:

- *We do not wish to develop a system which relies on continuing government subsidies to recompense employers for releasing trainees to formal off-the-job training.*
- *A key principle of the new system is that trainees should be paid wages only for the time spent on the job.*
- *Employers should make a contribution to the training of the future workforce and that an industrially determined wage will ensure that more attention is given to the nature of the work undertaken, when trainees are on-the-job.* (pp.116–117)

These principles were consistent with the directions given to the committee to develop 'cost neutral' proposals. Importantly, they were also consistent with the principle that students should be treated as students, and workers as workers. In other words, the proposal was a genuine attempt to break the nexus whereby the Commonwealth subsidised the payment of full award wages to apprentices while they were in full-time training—a practice that was not followed for other groups.

In effect, the Kirby proposals were a subtle indication that apprentice wages were on the high side and that it was counter-productive to be supporting them by government subsidies. However, to avoid likely industrial opposition to reducing apprentice wages, Kirby proposed a new system of structured training that would not rely on subsidies but had the potential to encompass apprenticeships in the future.

During the continuing debates about how to fix youth unemployment in 1985, however, people were looking for simple solutions, not subtle ones that would take time to achieve results. For example, in one of many media responses to the Kirby Report, the Australian Financial Review ran an editorial on 25 January 1985, titled *Kirby, youth jobs and wages*. It criticised the lack of attention (in and out of the report) given to reducing youth wages as follows:

> *Youth unemployment is inextricably entwined to movements in youth wages relative to the wages of other groups . . . While youth unemployment may have been a 'sleeping' issue at the 1984 Federal elections, the chances are that it will be well and truly awakened by 1988.* (AFR 1985, p.12)

In such a political environment, the Government did not take long to endorse the traineeship proposals as a major response to youth unemployment. Furthermore, to hasten their introduction as part of a Priority One Youth package of measures in 1985, the Government put aside its concern for cost neutrality and agreed to subsidise traineeships in ways that were similar to apprenticeship subsidies.

For many years after 1985, the Commonwealth and the States put much energy into developing traineeships, initially under the Australian Traineeship System (ATS), with the Kirby estimate of 75 000 traineeships per year as the planning target. By 1987–88, the Department of Employment, Education and Training (DEET) had 177 operative staff engaged in traineeship activity throughout Australia involving an appropriation of $53 million. This compared with 78 staff and an appropriation of $131 million administering trade training and apprenticeship (DEET 1988, pp.35, 37).

Traineeships were promoted mainly as quality training options for jobs in the service industries. The most popular fields for traineeships were retailing, hospitality and clerical areas. However, progress proved to be slow, mainly because of the need to have new industrial arrangements and new legislation in the States. The 1987–88 Annual Report of DEET reflected the work involved in its summary of progress:

> *At the end of June 1988, some 18,285 young people had begun a traineeship since the inception of the ATS in August 1985, and of these, 57% were in the private sector. Some 200 industrial agreements or award variations had been negotiated across a wide variety of industries . . . involving 43 unions. At the end of June 1988, 91% of all trainees were aged 16-18 years and 73% had not successfully completed Year 12.* (DEET 1988, p.38)

The effort required to develop the traineeship system meant that trade apprenticeship was virtually left alone for many years. Apprenticeship completions averaged about 33 000 from 1980 to 1993, reaching a peak of 39 582 in 1992–93 (DEIR 1986a) (NCVER 1995). Commonwealth and State financial assistance for apprenticeship continued but developmental activity virtually stopped as the ATS took priority for resources.

A continual source of embarrassment to government officials was the shortfall of intakes relative to Kirby's target figure of 75 000 new traineeships each year, particularly as both the youth labour market and the full-time labour market deteriorated under the impact of industry restructuring. On reflection, however, the fact that intakes were above 10 000 annually from 1987–88 should have received more positive publicity in the light of what was

happening to the youth labour market. For example, school retention to Year 12 was rising, higher education enrolments were rising and full-time employment opportunities were falling.

Another important event was the OECD examination of Australian youth policy. The examiners visited Australia in November/December 1983 and reported about 18 months later. As far as apprenticeship was concerned, a key recommendation was the call for more attention to be given to developing standards of competence. For example, the final report (OECD 1986) noted as follows:

> *That portion of apprenticeship training that is provided at the work site needs to be watched more closely. With the wider use of pre-apprenticeship and block release training, there is a danger of training in the workplace becoming too isolated from that in the classroom. Moreover, there is clear evidence that some training provided on the job is too narrow to be used in other firms or even in other jobs in the same firm. This is particularly true for apprentices working in small enterprises.*
>
> *There need to be standards for evaluating the competencies of apprentices.* (p.45)

Training reform 1990–1998

Despite very large increases in the participation of young people in school and higher education during the late 1980s, youth unemployment remained a major problem. Industrial restructuring and new technology were also beginning to have an impact on the labour market.

All the change resulted in an extraordinary amount of soul searching by those concerned with developing training policy. Indeed, the period from 1988 was notable for the number of government reports on training—of which only a few are referred to below.

By 1991, the advice of DEET was that it was time to move on from the ATS:

> *Traineeships are seen to be of lower status than apprenticeships and (related to this) tend to be occupations employing a high proportion of females. Traineeships are often seen as an alternative to Year 11–12 for the less able, as a transition from school to work program or as a labour market program for the disadvantaged. There have been significant 'drop outs' in some traineeships. In contrast, apprenticeships are seen as 'solid' vocational training and over 70 per cent of apprentices who start subsequently finish.* (DEET 1991, p.9)

Policy-makers decided to take a new approach that would be more 'holistic', though arguably more complicated. The new approach involved moving away from training based on timeserving and the acquisition of knowledge to one based on training for competency to undertake tasks to national standards set by industry. It included national vocational qualifications, training pathways, recognition of prior learning, and vocational education in schools.

Developing the new approach involved obtaining more and more reports from more and more committees. It also involved coming to grips with a new training language, including an array of new acronyms. During this period, the term 'technical and further education', which had been coined by Kangan in 1974, was relegated for all practical purposes in favour of the broader international term 'vocational education and training' (VET).

The newly established National Training Board (NTB) set out to develop arrangements for the development of competency standards based on industry needs. (By the mid-1990s, the NTB was abolished with the establishment of the Australian National Training Authority (ANTA)).

For the providers and users of vocational education in Australia, the concept of having vocational competence as the main objective of training courses had always had great appeal. In 1975, for example, the new Technical and Further Education Commission (TAFEC) tried unsuccessfully to enlist support to have all TAFE vocational courses classified according to their 'vocational objectives' rather than by admission criteria and length of course. Again, in 1980, the Commonwealth and States Conference of Ministers of Labour agreed that trade training should be based on competence rather than time serving. However, little progress was made until late in the 1980s when the whole issue of competency-based training began to receive the support of unions and industry as well as Commonwealth and State Governments.

A position paper, *A new structured entry-level training system for Australia*, was developed and canvassed by DEET in mid-1991. It proposed to adopt the term trainee to cover both trainees and apprentices on the grounds that one term would be preferable and that traineeship was 'a more modern term' (DEET 1991, p.31).

Of the many reports on VET, the Mayer Report examined the links between school education and work. It identified the following seven employment-related key competencies that young

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people should have 'to participate effectively in the emerging forms of work and work organisation' (Mayer 1992, p.2):

- *collecting, analysing and organising information*
- *communicating ideas and information*
- *planning and organising activities*
- *working with others and in teams*
- *using mathematical ideas and techniques*
- *solving problems*
- *using technology*

The Australian Vocational Certificate Training System (AVCTS)

On 21 July 1992, Commonwealth and State ministers agreed to establish AVCTS. This included Competency Based Training (CBT), Recognition of Prior Learning (RPL), the Australian Qualifications Framework (AQF) and the National Framework for the Recognition of Training (NFROT). ANTA was directed to take a key role in implementing the new system.

The AVCTS was designed to be a comprehensive system of training involving:

- industry participation in the development and provision of training
- quality training to national standards
- achievement and recognition of competencies however achieved
- multiple pathways for achieving competencies
- many different training providers such as secondary schools, TAFE, private trainers, employer training etc.
- a national framework of vocational qualifications
- provision for those with disadvantages of different kinds

A prime ministerial statement, in July 1992, announcing the AVCTS and other initiatives, demonstrated that Commonwealth labour market policy was by then dominated by a concern for addressing unemployment. For example, the second paragraph of the statement *A national employment and training plan for young Australians* stated 'Unemployment is the Australian Government's first priority and it will remain so until solutions are found and the present trend reversed' (p.1).

At a meeting in November 1994, the Ministerial Council on Employment, Education, Training and Youth Affairs (MCEETYA) agreed to support the translation of both apprenticeships and traineeships to AVCTS by December 1996.

The NETTFORCE traineeships

Because of their quantitative impact on the training system, the introduction of NETTFORCE traineeships would also rank as a critical event in the history of apprenticeships and traineeships.

NETTFORCE traineeships resulted from a government white paper on measures to address unemployment (*Working Nation*, 1994). As they affected apprenticeships and traineeships, the new measures from Working Nation had five basic elements:

- a national training wage to encourage employers to employ more trainees, particularly from the ranks of the unemployed and including adults for the first time
- an increase in the number of entry-level training places, with a target of 50 000 covering apprenticeships, traineeships, pre-vocational places, and labour market places

- entry level training in small business
- establishment of a National Employment and Training Taskforce (NETTFORCE) to encourage employers to take on more trainees
- establishment of a network of industry training companies to assist NETTFORCE to achieve its objectives

During 1995, to put the *Working Nation* initiatives in place, a massive Commonwealth-funded effort was made to increase the numbers of trainees and traineeships. It involved moving well beyond conventional approaches to providing traineeships and included:

- providing traineeships in new industries and occupations (e.g. sport, recreation, and a range of sub-trades work); in jobs that cut cross occupations (e.g. swimming pool installation, home decorating, farm-stay accommodation); and in jobs related to the trades
- accrediting training that was delivered and assessed on the job only, with no mandatory requirement to attend off-the-job training such as at TAFE
- providing traineeships in small business, involving a mixing and matching process to provide training to suit the specific needs of individual businesses
- extending the provision of traineeships beyond basic skill levels ASF I and II (where they had applied since 1985), to ASF III and above

The effort to increase the numbers of trainees was described at the time as 'unprecedented and straining the system as never before' (Ray 1996, p.21). It was generated by industry concerns at the national level rather than at the local level, and was promoted in a very public way by two national figures—Bill Kelty, Secretary of the Australian Council of Trade Unions, and Lindsay Fox, a leading employer.

In effect, the NETTFORCE initiative was a 'crash through' approach to increasing traineeship numbers as a way of reducing unemployment. Largely as a result of NETTFORCE and the later New Apprenticeship initiative, the number of trainee commencements increased from 15 437 in 1994–95 to 34 721 in 1995–96 and 48 662 in 1996–97 (unpublished NCVER data).

The intensive effort to establish traineeships highlighted the 'problems associated with achieving national goals through eight State and Territory training systems with different legislative and administrative arrangements' (Ray, 1996, p.19). It also highlighted many non-systemic problems such as:

- poor understanding of traineeships by employers
- differing local views on the real need for some proposed traineeships
- concerns about the quality of training, and quality assurance
- the place of 'on the job only' traineeships
- the balance between training in generic skills and job-specific skills
- the target occupations and industries for additional traineeships
- the potential for 'diluting' apprenticeship training
- lack of a training culture in some occupations and industries
- the excessive time taken to reach agreement on new traineeships

The fact that employers had a poor understanding of traineeships was not surprising. From the advent of 'training reform' in the early 1990s, the whole training environment had been constantly changing and becoming more and more complicated. By 1995–96, the training system had become almost incomprehensible to anyone outside the training community.

Concerns about the quality of training and quality assurance became common—often, they were related to the growth of 'on the job only' traineeships. For example:

> *Many people considered that the pressure to increase trainee numbers was creating a trade off between quantity and quality. They referred again to the history of training and the long struggle to*

improve the quality of apprentice training such as by requiring employers to release apprentices to attend TAFE. (Ray 1996, p.23)

There were also claims that the NETTFORCE traineeships should have been classified as labour market training programs rather than as traineeships. Some State training officials claimed that they had struggled for years to promote traineeships as quality training programs that were similar but different to apprenticeships only to see that approach abandoned in favour of a thrust for numbers. Accordingly, there were debates about what training should or should not take place under a State-regulated system such as that which applied to apprenticeships and traineeships, and what should be regarded as labour market programs.

Until the advent of the NETTFORCE traineeships in 1994, traineeships had applied only to occupational areas well removed from the apprenticeship trades. However, the NETTFORCE traineeships initiative changed that situation and in the process another very long standing principle—the application of regulated training to trades assistant occupations (e.g. exhaust mechanics, brake mechanics and tyre fixers). In the past, such trainees would have been referred to as 'dilutees' and would have been the cause for industrial litigation based on a long-standing legal requirement (that had remained essentially unchanged since Elizabethan times) such as the following:

An employer shall not employ a person who is under the age of 21 years in a declared trade unless the person is an apprentice or qualified tradesperson in that trade.
(NSW Industrial and Commercial Training Act 1989, Sec. 24)

Although such provisions remained in many State training Acts, they were not necessarily applied in the administration of apprenticeships and traineeships after 1994.

Subsequently, as part of the New Apprenticeship initiatives in 1997–98 the practice of declaring occupations was discontinued in Australia, except in New South Wales. However, even in New South Wales, traineeships proceeded in the sub-trades with the consent of unions and employers and the use of special titles for the occupations.

The realistic administrative approach reflected the reality of the labour market where specialised 'sub-trades' businesses became popular, such as in the specialist motor vehicle industry where trainees may not need training as fully fledged motor mechanics nor wish to pursue it.

An important associated development in 1994 was the agreement of the Australian Council of Trade Unions (ACTU) to unpaid 'work placements' (or vocational placements) for secondary school students and TAFE pre-employment students that involve the achievement of workplace competencies. The agreement covered up to 240 hours of unpaid work, a provision that was subsequently included in the training legislation of three States and the Australian Capital Territory.

Later, the Commonwealth Workplace Relations Act 1996 effectively transferred all responsibility for work placements to the States by defining vocational placements as placements under the laws of the States and Territories. This opened up the prospect of unpaid work placements that could exceed the previous 240-hour limit.

New Apprenticeships

Following the change of government in 1996, the incoming Howard Government moved to combine apprenticeships and traineeships under the umbrella title of 'New Apprenticeships'.

New Apprenticeships have the potential to be yet another critical event in the overall development of apprenticeship in Australia.

The New Apprentice arrangements, which were under way by 1998, introduced new features such as 'training packages' and 'user choice of training provider'. Training packages were

combinations of the training agreement (in place of indentures), training plans, competencies to be attained and the method of assessment and assessment guidelines. User choice was a principle that allowed employers and apprentices and trainees to choose the registered training provider they require—previously TAFE had played almost an exclusive role in such training.

The new arrangements covered school-based and part-time apprenticeships and traineeships and formal training that was wholly on-the-job, or off-the-job at TAFE or a private provider.

In a major change of policy, new apprenticeships were made available to existing employees. Previously they had been available to new employees only.

By 1998, the future direction of the trades labour market, which has relied on apprenticeship as a main source of new entrants, had become unclear. The 1990s had seen a quickening of the so-called 'transition from the industrial age to the information age' and there had been a great deal of technological and economic changes, and change in the nature of work. There had been continuing falls in employment in manufacturing, and large falls in the electricity, gas and water industry and some areas of telecommunications. Outsourcing and the use of labour hire companies had become prevalent. Commenting on the later matter and its impact on training in the trades, a consultancy report concluded that labour hire companies were part of wider and longer term phenomenon that included:

- *the declining number of skilled tradespersons as a proportion of the labour force (also affecting the capacity for firms to provide appropriate supervision arrangements for apprentices)*
- *the outsourcing of many functions previously undertaken by skilled trades people*
- *changing mix of skills in the workforce, including up-skilling of production workers*
- *an apparent decline in the number of suitable recruits presenting for apprenticeships*

(KPMG 1998, p.2)

Significantly, through all such change in the labour market, the construction industry, which embodies the traditional *raison d'être* for apprenticeship, continued to maintain the relatively constant share of overall employment (about 7% to 9%) that it had experienced for 50 years. It would appear, therefore, that the future of apprenticeship in the construction industry will depend on the way the nature of work evolves, particularly if it becomes more specialised and subject to even more sub-contracting. Overall, apprenticeship in the construction sector appears to have survived remarkably well.

At the time, the legislative approach used by the States and Territories for the administration of apprenticeships and traineeships depended largely on the age of the legislation (Ray 1998, p.15). For example:

- only New South Wales maintained separate legislative provisions for apprentices and trainees
- in Victoria and Queensland (proposed Bill), only the term 'apprentice' was defined in training legislation but in such a way as to include all persons trained under training agreements, including trainees
- in South Australia, Western Australia, the Australian Capital Territory, and the Northern Territory, only the term 'trainee' was defined but in ways that included apprentices

However, distinctions between trades apprentices and non-trade trainees continued to be made—either through legislation (such as by distinguishing between training in a trade and training in other than a trade) or administration (such as where the legislation permitted administration by regulation).

Under workers compensation legislation, both apprentices and trainees were regarded as 'workers'. For example, the Western Australian Workers' Compensation and Rehabilitation Act 1981 defined a worker as 'any person who has entered into or works under a contract of service or apprenticeship with an employer'.

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Generic apprenticeship

As indicated earlier, apprenticeship has a generic meaning as well as a more specific meaning as a regulated form of training. The generic meaning would cover many forms of training where people learn on the job from others in both formal and informal ways but without the coverage of apprenticeship laws. For example, it would include:

- labour market programs involving training and work experience
- 'work placements' whereby secondary school students undertake unpaid work (typically up to 240 hours annually) to achieve workplace competencies
- co-operative education programs for students in educational institutions

In the United States, for example, co-operative education is used extensively in secondary schools as a way of enabling school students to learn initial vocational skills. It is also used in Canada for training professionals.

All of this suggests that, in a generic sense, apprenticeship could involve a long continuum of arrangements, varying from fully contracted regulated apprenticeship to many types of informal and unregulated training. Furthermore, the mixture of formal training and workplace experience could be in all sorts of formats depending upon the circumstances.

Conclusions

Along with other advanced countries, Australia has been successful in substantially increasing participation in secondary schooling and tertiary education during the last half of the 20th century. This increased effort has included a significant improvement in the capacity of the TAFE sector (and private equivalents) to provide vocational education, particularly for trade training.

Government support for vocational training has been particularly strong since 1973 when the Commonwealth agreed to support the development of TAFE and encourage apprenticeships. Initially, this support was largely on the grounds of economic efficiency as Australia attempted to increase the national skills base and the output of the apprenticeship system to compensate for the decline in skilled immigration that had been a feature of the labour market since about 1950.

Later, such an efficiency objective was complemented by the equity objective of assisting (mainly) young people to gain a foothold in employment as unemployment levels began to climb after 1970.

Apprenticeship and trade training

Throughout the last half century, apprenticeship maintained its attraction as a preferred way of training for the trades, particularly for the major trade occupations of vehicle mechanic, carpenter and joiner, engineering tradesperson and electrical mechanic. For all these occupations, apprenticeship provided a learning process that was a balance of formal training and workplace experience to achieve relevant all-round workplace competencies. Even though all-round practical training in the workplace was often not provided to all apprentices because many employers were small firms, apprentices did receive broad technical education as part of their formal training at TAFE (or some other provider).

Over the period, the provision of formal training (typically for one day per week for three years) became universal and 'on the job' only apprentice training virtually disappeared. (The latter was resurrected in 1994 for some traineeship training established as part of the NETTFORCE initiatives.)

On the other hand, fully institutionalised trade training failed to materialise, not because it was necessarily inappropriate but because of lack of support from unions and employers at the time. A major Commonwealth-State report on the subject (COSAC, 1984) recognised the potential of such training but also the practical and industrial realities of taking it further at that time.

A middle path involving pre-apprenticeship and pre-employment courses was favoured and supported by most governments. Such courses covered the early formal training components, in particular trade courses or a family of trade courses. They were considered to be particularly useful for training for trade occupations where it was more efficient if some of the formal training (particularly theoretical aspects) could be completed in a classroom environment prior to commencing employment through an apprenticeship. For example, it was used for training electrical mechanics, vehicle mechanics, engineering tradespersons and carpenters.

The apprenticeship model of trade training that has evolved in Australia has always emphasised the importance of the contract of employment and training between the

apprentice and the employer. The history of State and Territory legislation on training has been to regulate apprenticeship with the objective of ensuring that the apprenticeship contracts would be observed. Such legislation provided mechanisms for resolving disputes between apprentices and employers and for penalties, where appropriate.

The reality was that the States and Territories rarely had sufficient resources to thoroughly police all aspects of apprenticeship and generally concentrated on settling disputes and investigating reports of exploitation or maltreatment. They were fortunate in the sense that most employers and apprentices did observe the contracts—probably because many were once apprentices themselves and it was the culture to do so.

Trade apprenticeships and the labour market

Each year for the past 50 years, more than one million persons have been employed as tradespersons or related workers in Australia—most (68% in 1999) were employed in the metal, electrical, building and vehicle trades.

The trades group is very large (1.15 million or 13% of all employment in 1999) but declining in size relative to all employment. For example, whereas overall employment increased from 7.4 million to 8.7 million (or 18%) in the ten years to May 1999, the level of employment in the trades group remained virtually unchanged at just over one million.

Knowledge of this relative decline (particularly in the 'metal' trades) could be a contributing factor to the alleged difficulty of attracting quality recruits as apprentices in the trades. Perhaps many young people conclude that the trades offer poor long-term employment prospects compared with other career options.

Over the last 40 years, the main role of apprenticeship has been to replenish the stock of tradespersons. In this regard its role has been significant. Annual apprenticeship completions increased from 14 000 in the early 1960s to 22 000 in 1970, to 31 000 in 1980. From then to 1994, they averaged 33 700.

As shown in the following table for the period 1988 to 1994:

- there was a small increase in the proportion of apprenticeship completions to the 'stock' of employed tradespersons from 2.6 to 3.0
- apprenticeship was particularly significant in hairdressing and the vehicle trades
- completions in the combined metal, electrical, building and vehicle trades groups increased significantly in relative terms

Table 3: Apprentice completions as a proportion of tradespersons employed 1988 and 1994

Trade group	Tradespersons employed		Apprentice completions		Apprentice completions/ tradespersons employed %	
	May 1988	May 1994	1987–88	1993–94	1988	1994
Metal	227 900	212 800	5 739	6 715	2.5	3.2
Electrical	185 500	165 000	4 228	5 499	2.3	3.3
Building	243 800	248 800	5 533	6 563	2.3	2.6
Vehicle	142 700	136 800	4 979	5 906	3.5	4.3
Sub-total	799 900	*763 400	20 479	24 683	2.6	3.2
Printing	41 500	36 800	782	680	1.9	1.8
Food	102 900	121 300	2 539	2 950	2.5	2.4
Hairdressing	45 400	36 000	2 527	2 693	5.6	7.5
Other	161 100	176 200	3 589	3 319	2.2	1.9
All tradespersons	**1 150 800**	**1 133 700**	**29 916**	**34 325**	**2.6**	**3.0**

Note: *By May 1999, this sub-total was 787 900

Source: ABS Labour Force data (Cat. 6203), NCVER

Overall assessment of the trade apprenticeship system

As a summary of the major outcomes of the traditional regulated form of apprenticeship, it would be reasonable to conclude that it:

- has had a very long history in training artisans
- has been an integral part of Australian employment and training culture as a way of training tradespersons
- has been particularly important to the economy in supplying skills in the metals, electrical and building areas where shortage of skills can lead to wage led inflation
- has provided benefits to young people, employers (particularly small business) and the community
- has provided a major entry-level job for up to one-third of Australian male school leavers
- involves a contract of employment and training that is based on well established industrial principles and procedures that preceded government subsidies
- appears to have become highly dependent on financial support from the Commonwealth since 1973
- until recent years, belonged solely to the industrial parties, rather than to governments or to the education community
- has generally worked well, particularly as a form of entry level training and in a 'qualitative' sense
- has been less successful in a 'quantitative' sense in meeting skills needs through economic cycles
- until the late 1980s, was remarkably immune to calls for reform
- is likely to suffer from the ongoing restructuring of the economy and the workplace

Traineeships

From their introduction in 1985 until 1994, traineeships were promoted extensively as a way of encouraging early school leavers to enter the labour market and obtain some skills training—usually through a one-year traineeship involving formal training for one or two days each week. After a great deal of difficulty initially in explaining and negotiating their establishment, government officials and industry representatives were eventually able to achieve greater acceptance of traineeships. By 1994, they had become particularly popular in the fields of hospitality, tourism and office administration.

The administration of traineeships by the States and Territories followed arrangements that were similar to those applying to apprenticeships. The overall objective was to encourage quality training and good employment practices. However, traineeship numbers continually fell short of expectations until the mid-1990s.

The 1990s—a decade of change

This short history of apprenticeship ends at around 1998.

Although it would be premature to draw conclusions about such recent history, it appears that the 1990s could be possibly the most significant of the century for the future of apprenticeship in its widest sense. Throughout the 1990s, the apprenticeship system had to change to accord with both nationally agreed changes to the training system as well as broader evolutionary changes in the operation of the labour market. In terms of their potential influence on future policy, the following matters appear to be particularly important.

Growth in traineeships

As indicated earlier, the growth in traineeships since their inception in 1985 had been modest, both in overall numbers and occupational coverage. This changed after 1994 as a result of the Commonwealth-funded NETTFORCE initiatives, and was reinforced around 1997 by the subsequent New Apprenticeship initiatives. For example, between 1994–95 and 1996–97, traineeship commencements increased from 15 437 to 48 662 (preliminary NCVER data) and the occupational coverage became very broad indeed.

The large-scale trainee recruitment in 1995 attracted criticism from officials and other stakeholders who had spent many years promoting traineeships as 'quality' training that was similar but different to apprenticeship. Such people were concerned that the rush to increase the numbers of trainees could substitute quantity for quality. They were particularly concerned about an apparent lack of quality control over 'on the job only' traineeships.

New national training arrangements

After 1996, apprenticeships and traineeships were combined as part of the New Apprenticeship initiatives. This change involved introducing a whole set of new national training arrangements, including training agreements, national qualifications, national training packages and user choice of training provider. There was also a significant amount of deregulation to industrial relations arrangements and the administration of apprenticeships and traineeships—including a move (except in New South Wales) away from the long-standing practice of 'declaring' trades or vocations.

Significantly, the New Apprenticeship initiatives and related programs have included support for a further provision of VET in secondary schools and scope for students to at least commence traineeships and apprenticeships while still completing their secondary studies.

Wastage through training

A new matter of concern that emerged in the 1990s was an increase in wastage through training. For example, wastage through apprenticeship (measured by the number of completions in 1996–97 compared with commencements in 1992–93) had reached 51%, more than double the average of 23% some ten years earlier (DEIR 1986b, p.23). Preliminary data for traineeships indicated that the wastage rate for traineeships was even higher.

Relatively low wastage rates would be critical to the efficiency of the apprentice system and the respect that it has gained within the community over a very long period. If wastage were to become excessive, the contractual nature of apprenticeship (that has been central to its operation) would be weakened. In other words, apprenticeship has operated on the basis that contracts of employment and training should be taken seriously and not broken lightly.

The reasons for the increase in wastage had not been established.

Evolutionary changes in the operation of the labour market

Perhaps more fundamentally than all the above, it can be argued that the real reason for the changed approach to apprenticeship in the mid-1990s was that there was a conjunction of factors that affected the operation of the labour market and the whole environment of employment and training. For example, during the 1990s:

- *Technological change* saw the increasing role of computers and the internet, and substantial loss of jobs in traditional areas. A whole range of jobs involving electro-mechanical skills disappeared as firstly electronic and then digital electronic technology arrived. A whole era of electro-mechanical telecommunications technology came to an end—with considerable job losses. Motor vehicles arrived with computer management systems and with associated computer systems for diagnosing faults. Many clerical jobs disappeared

(such as in banks and government administration) and new ones emerged (such as in call centres and information technology).

- *Economic* change led to measures to make the economy more competitive nationally and internationally. It led to a much smaller public sector and caused many employers to concentrate more diligently on the so-called 'bottom line' and on 'their core businesses'. These measures resulted in substantial outsourcing and to the virtual abandonment of apprentice training by large companies and government agencies. Although small business grew as a result of the increased contracting-out, many adopted short-term business plans because of uncertain long-term prospects. This more limited outlook meant that fewer employers were prepared to enter into the four-year contracts normally required for apprenticeships.

  Along with further outsourcing went an increase in the number of tradespersons who have to manage their own business. ABS data (Cat 6203, Nov 1987 and 1998) show that in 1998, 23.2% of all employed tradespersons were either employers or 'own account workers'. This was an increase on the level (19.3%) in 1987.

- Changes in *the nature of work* saw a substantial casualisation and specialisation of work and relatively low growth in full-time jobs, particularly for males. Changes such as auto banking, the use of credit cards, 24-hour shopping, 'just in time' stock holding, and greater preference for eating out, all had an impact on the way people worked and managed their lives. The trend towards the specialisation of technical work gave rise to suggestions that the traditional broad-based training given to apprentices was 'a thing of the past' and should be replaced by narrow more specialised training. This view was prevalent in large labour markets (such as in large cities) where specialisation was feasible and became the norm. An alternative view was that broad-based training was even more important because in metropolitan areas workers needed to have the skills to be mobile and change jobs more frequently and in non-metropolitan areas they needed to be multi-skilled to survive.

- *Social change* saw the rise of 'individualism' and the 'me too' generation at the expense of communities. Membership of unions, churches, clubs, political parties and interest groups declined. This led to a loss of much of the 'social capital'[10] that in the past typically provided support for apprenticeship over many years. For example:
  - many of the individuals from industry who gave freely of their time to assist on local advisory committees related to apprenticeship left the field and were not replaced
  - small employers focussed on economic survival and paid little heed to collective matters
  - large employers (such as BHP, electricity suppliers, railways, defence establishments) who traditionally trained in excess of their own requirements in the public interest, closed their training schools and ceased training apprentices

[10] Fukuyama (1999) discusses the relative values of collectivism versus individualism, and the decline in community action and values. He notes that 'anyone who has lived through the decades between the 1950s and the 1990s in the United States or other Western Countries can scarcely fail to recognise the massive value changes that have taken place over this period. These changes in norms and values are complex, but can be put under the general heading of increasing individualism' (p.47). He defines social capital as 'society's stock of shared values—the moral values and social rules that are the precondition for any type of co-operative enterprise'. He considers that in addition to 'physical capital (land, buildings, machines) and human capital (the skills and knowledge we carry around in our heads), social capital produces wealth and is therefore of economic value to a national economy' (p.14).

- employers who had continued to employ and train apprentices at an immediate financial loss decided to discontinue the practice[11]

It remains to be seen, therefore, whether social change has also weakened the community's cultural attachment to apprenticeship and/or changed the psychology of employers and parents (many of whom were apprentices themselves) to apprenticeship.

Moving into the future

It would be premature to make definitive judgements about the likely future of the traditional model of regulated apprenticeship or of other more generic forms. While the traditional model has a proven track record as a way of trade training in Australia, experience around the world suggests that regulated apprenticeship is not the generally preferred way to acquire skills including trade skills.

Perhaps a less regulated more universal form of apprenticeship may evolve. Perhaps the present trends in the workforce towards outsourcing etc. may turn full circle to the point where employers again place a higher priority on training their own human resources and traditional apprenticeships become in vogue again.

The future evolution of apprenticeship should provide another interesting story.

[11] Dockery (1997) surveyed 59 employers of apprentices in Western Australia. He concluded that 'On average, firms were found to incur a net cost of around $22 000 over the standard four-year apprenticeship, comprised of a cost of nearly $13 000 in the first year of the apprenticeship, declining to a small benefit in the fourth year. Around this average, there was a large degree of variation. Thirteen firms were estimated to receive an overall benefit from training apprentices. Ninety percent of the variation occurs within trades rather than between trades indicating the importance of firm specific factors in the cost outcome. The finding that employers bear such a large portion of the cost of training apprentices is inconsistent with employers' initial perceptions of the cost, and with human capital theory's treatment of the financing of general training' (Abstract).

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